

Hauraki School Policy Document

Cash Management Policy

Rationale

The Hauraki School Board (the Board) is responsible for ensuring that cash is well managed, and any expenditure is clearly linked to the business of the school.

Guidelines

1. The Board has a responsibility to protect the cash resources of the school. The Board has agreed on the fundamental principles of this policy and has delegated responsibility for the implementation and monitoring of this policy to the principal.
2. The Board requires the principal to implement and manage this Policy. The principal may from time-to-time further delegate some of their responsibilities.
3. This policy must be read in conjunction with other Board policies, and the exercising of all authority and responsibilities conferred under this policy must be in accordance with the Schedule of Delegations and may not exceed an individual's established level of delegated authority.
4. The signatories for payments and/or cheque account shall be at least two of the following:
 - the Presiding Member
 - the Treasurer
 - the Principal
 - the Secretary and Deputy Principal
 - one other parent representative Board member.
5. All cheques for operating expenses shall be signed by at least one signatory. All payments for fixed assets and long-term investments are to be approved by the principal.
6. Under no circumstances is a cheque signatory to sign a blank cheque.
7. All cheques, except those for petty cash reimbursement, must be issued as 'Not Transferable – Account Payee Only'.
8. At no time shall the cheque account be operated in overdraft without permission from the bank and the Ministry of Education (MoE) if the overdraft exceeds the borrowing limits.
9. One at-call interest bearing deposit account shall be operated to hold cash resources not currently required for operating purposes. This account is only to be operated by the principal or Administration Officer.
10. Separate at-call deposit accounts shall also be operated for Fixed Asset Replacement and Cyclical Maintenance reserves as specified in the Board's policies for these matters.

Trust Fund Account

11. A separate bank account and call deposit account shall be used for the trust funds held by the Board in trust for donor-specified purposes. The terms and conditions for the operation of these accounts shall be the same as for the general operating account referred to above.

Investments

12. Investments of School funds may only be made in accordance with the terms of section 154 of the Education and Training Act 2020.
13. Notwithstanding the requirements of section 154, no investments may be made in equity stocks or in synthetic money market products (e.g. Forward Rate Agreements and Interest Rate Swaps).
14. Investments may only be made with the authorisation of the principal and the Presiding Member.

Fundraising

15. The Board acknowledges that under section 154 of the Education and Training Act 2020 some professional fundraising contracts constitute an illegal fundraising contract. No such fundraising contract will be entered into by the school. If doubt exists about the legality of a proposed fundraising contract, the principal will contact the regional Financial Adviser of the MoE for advice.

Cash Receipts

16. All cash and payments received must be paid into the school office and properly receipted.
17. No cash received can be used to pay accounts in cash.
18. Only delegated staff may handle cash.
19. All receipts must be banked as soon as possible and preferably within 5 working days of receipt.
20. All cash and cheques kept on the premises must be kept secure under lock and key, and under the control of a delegated person.

Accounts for Payment

21. All accounts for payment, other than expense reimbursements and attendance fees, must be supported by a copy of the:
 - official school order form
 - the invoice, with certification by the orderer that each item has been received, prices and quantities are correct, and the payee details are correct
 - the correctly completed cheque ready to be signed.
22. No person can sign off two of the documents that comprise the voucher except the order and the invoice. The invoice must be certified by the person who authorises the expenditure.
23. Expense reimbursements must be certified by the manager of the individual being reimbursed, provided the certifier has delegated authority to sign. An expense claim should be supported by GST receipts or invoices. Claims for the use of private motor vehicle usage must be certified by the principal or delegate to indicate that approval was given. Scale rates as per the award will be the basis of reimbursement per kilometre.

Petty Cash

24. A petty cash fund of no more than \$300 shall be held.
25. Reimbursement claims from the petty cash fund must be accompanied by a receipt and approved petty cash voucher.
26. Authorisation can still be given for expenditure less than \$50 where there is no receipt, for example if it is not practical to obtain a receipt or if the receipt is lost. The expenditure can be approved by the principal and reimbursed provided there is no doubt about its nature or the reasons for it.
27. Petty cash advances will only be made for amounts up to \$50. They must have an approved petty cash voucher. A receipt for the actual expense with any unspent cash must be provided within 2 working days of the advance.

Accounting Records

28. The principal shall arrange for proper accounting records to be maintained. The records must satisfy all requirements specified in Acts of Parliament, financial reporting standards and other applicable standards.
29. The financial system must be organised so that the principal and Presiding Member can sign without hesitation the annual Statement of Financial Responsibility as required by Section 155 of the Crown Entities Act 2004.

Periodic and Annual Financial Statements

30. For each calendar month the principal or Treasurer shall prepare financial reports showing:
 - Statement of Financial Performance, including comparison to budget
 - a summary Statement of Cashflow and
 - a summary Statement of Financial Position.
31. For each month the principal shall present a written summary report that describes:
 - key (financial) achievements from the previous month
 - expectations for the month ahead and
 - significant matters and/or risks that must be addressed by the school.
32. Any recommendations made to the Board for the purchase of fixed assets, investments and other use of cash resources must refer to the impact on the School's present cash resources and projected cashflows for the next 12 months.

Approval and review

33. No variations of this policy or amendments to it can be made except with the unanimous approval of the Board.
34. This policy will be **read annually** by the Board and **reviewed triennially** together with other Finance policies.

Signed:  _____

Date: Term 2, 2021

Presiding Member of the Board

Review Date: Term 2, 2024